

THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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October 4, 2004

Robert N. Werlin, Esq.
John K. Habib, Esq.
Keegan, Werlin & Pabian LLP
265 Franklin Street
Boston, MA 02110
FOR: Boston Edison Company d/b/a NSTAR Electric

RE: Department's Second Set of Information Requests to NSTAR Electric
NSTAR/Ocean State Power PPA Termination Agreements - D.T.E. 04-68

Dear Messrs. Werlin and Habib:

Enclosed please find the Department of Telecommunications and Energy's Second Set of Information Requests to Boston Edison Company d/b/a NSTAR Electric in the above-referenced proceeding. Please provide the requested answers by October 8, 2004. If you have any questions on this request, please contact me at (617) 305-3613.

Sincerely,

/s/

Joan Foster Evans
Hearing Officer

cc. Mary L. Cottrell, Secretary
Service List
Staff as assigned

**COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

**SECOND SET OF INFORMATION REQUESTS
D.T.E. 04-68**

Pursuant to 220 C.M.R. § 1.06 (6)(c), the Department of Telecommunications and Energy ("Department") submits to Boston Edison Company d/b/a NSTAR Electric ("Company") the following Information Requests.

I. Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department to the Company in this proceeding.

1. Each request should be answered in writing on a separate three-hole punched page with a recitation of the request, a reference to the request number, the docket number of the case and the name of the person responsible for the answer.
2. Please do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. These requests shall be deemed continuing so as to require further supplemental responses if the Company or its witness receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
4. The term "provide complete and detailed documentation" means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.
5. The term "document" is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
6. If the Company finds that any one of these requests is ambiguous, please notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
7. If a question refers to an Information Request of another party, please provide that response and answer with information that supplements the previous response.

8. Please serve a copy of the responses on Mary L. Cottrell, Secretary of the Department; also submit two (2) copies of the responses to Joan Foster Evans, Hearing Officer, and one copy each to Sean Hanley, Mark Barrett, and Meera Bhalotra of the Rates and Revenue Requirements Division, and Robert Harrold, Boris Shapiro, and Marilyn Ross of the Electric Power Division.

II. Information Requests

Refer to the Company's response to the referenced information request.

- IR-DTE 2-1 Refer to AG-1-13 and AG-1-20. Please explain the decrease in capacity factor for OSP Units 1 and 2 over time. Provide electronic copies in Microsoft Excel format of the underlying data.
- IR-DTE 2-2 Refer to CONFIDENTIAL Attachment AG-1-14, worksheets "OSP 1" and "OSP2." Please explain the derivation of the value in cell B4. Please provide electronic copies in Microsoft Excel format of any underlying data used to derive this value.
- IR-DTE 2-3 Refer to CONFIDENTIAL Attachments AG-1-11, and AG-1-14, worksheets "OSP 1" and "OSP2." How sensitive are the saving analyses to a change in capacity factor?
- IR-DTE 2-4 Refer to AG-1-4 and CONFIDENTIAL Attachments AG-1-11, and AG-14. Please calculate the percent change in fuel and energy prices that would result in zero savings, holding all other independent variables constant. Please provide electronic copies in Microsoft Excel format of the underlying data as well as the source name and date.
- IR-DTE 2-5 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "Escalators." Please provide electronic copies in Microsoft Excel format of the underlying data as well as the source name and date.
- IR-DTE 2-6 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "Escalators." Please explain the derivation of the value in cell E2. Please provide electronic copies in Microsoft Excel format of the underlying data.
- IR-DTE 2-7 Refer to CONFIDENTIAL Attachment AG-1-14, worksheets "OSP 1" and "OSP2." Please explain the derivation of the values in cell D13. Please provide electronic copies in Microsoft Excel format of any underlying data used.
- IR-DTE 2-8 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "OSP 1." Please explain the use of the values in cells J11, J12, K11, and K12.
- IR-DTE 2-9 Refer to CONFIDENTIAL Attachment AG-1-14, worksheets "OSP 1" and "OSP2." Please explain the derivation of the values in cells in row 18, cells E through K. Please provide electronic copies in Microsoft Excel format of any data used to derive those values not linked to other cells in the worksheet.

- IR-DTE 2-10 Refer to CONFIDENTIAL Attachment AG-1-14, worksheets "OSP 1" and "OSP2." Please explain the choice of the values contained in the formulas in row 19. Please provide electronic copies in Microsoft Excel format of any data used to derive these values.
- IR-DTE 2-11 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "OSP 1." Please provide all workbooks referenced ("OSP Budget - Henwood Gas Price Update" and "2004 Budget OSP 1 REV").
- IR-DTE 2-12 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "Summary Nom." Please explain the inclusion of cell D51 in the formula contained in cell L51.
- IR-DTE 2-13 Refer to CONFIDENTIAL Attachment AG-1-14, worksheet "Exhibit 6A." Please explain the derivation of the values in cell C25. Please provide electronic copies in Microsoft Excel format of any data used to derive these values.
- IR-DTE 2-14 Refer to CONFIDENTIAL Attachment AG-1-14, worksheets "Exhibit 6B" and "Exhibit 6C." Please explain the gas revenues discussed in footnote 4. Include any reference to the Purchased Power contract, as well as any assumptions used to derive the value listed. Please provide electronic copies in Microsoft Excel format of any data used to derive these values.
- IR-DTE 2-15 Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1" and "OSP2." Please provide underlying electronic copies in Microsoft Excel format of all data and calculations used to derive all fuel price assumptions. Include source information.
- IR-DTE 2-16 Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1" and "OSP2." Please define "AFFC Base" and "NEPOOL AFFC Proxy."
- IR-DTE 2-17 Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1" and "OSP2." Please define and describe the "Availability Adjustment" and "Availability Bonus" and include cites to the Purchased Power contract, if applicable.
- IR-DTE 2-18 Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1," "OSP2," and "OSP 1 and OSP2." Please explain why a different inflation rate is used for these worksheets.
- IR-DTE 2-19 Refer to CONFIDENTIAL AG-1-15(a) worksheets "OSP 1," "OSP2," and "OSP 1 and OSP2." Please define and explain the boxes labeled "ITC Amortization."

- IR-DTE 2-20 Refer to CONFIDENTIAL AG-1-15(a) worksheet “OSP2.” Please explain the rationale for using OSP 1 Debt values for OSP 2 analyses.
- IR-DTE 2-21 Refer to CONFIDENTIAL AG-1-15(a) worksheets “OSP 1,” “OSP2,” and “OSP 1 and OSP2.” Please reconcile the difference in values in cell T15.
- IR-DTE 2-22 Refer to CONFIDENTIAL AG-1-15(a) worksheets “OSP 1,” “OSP2,” and “OSP 1 and OSP2.” Please reconcile the difference in the first year multiplier used in columns Q and V with each other and between worksheets.
- IR-DTE 2-23 Refer to CONFIDENTIAL AG-1-15(a) worksheet “OSP 1 and OSP2.” Please explain the derivation of the value in cell U31. Please provide electronic copies in Microsoft Excel format of any data and analyses used to derive this value.
- IR-DTE 2-24 Please explain whether any of the corrections (erratas) made to the initial filing in D.T.E. 04-60 affect the customer savings analyses filed in D.T.E. 04-68. If yes, (1) please describe each correction and explain how it affects the savings analyses in this proceeding, and (2) provide corrected copies of the exhibits.
- IR-DTE 2-25 Have any disputes emerged regarding the choice of the OSP contract auction winner? If so, please describe the nature of such dispute(s), and the status of any dispute(s).
- IR-DTE 2-26 Refer to CONFIDENTIAL Attachment AG-1-2 (h) regarding the TransCanada Bid on NSTAR/BEC Co PPA Entitlements. Please provide the “bid form (excel file) - two sheets: OSP I and OSP II” to which notation #2) refers as well as the “bid letter”, the Entitlement Transfer Agreement and the Guaranty Agreement that were included in the original December 03, 2003 e-mail.
- IR-DTE 2-27 Refer to the Company’s response to IR-DTE 1-10. Please re-work the spreadsheet to facilitate an “apple to apple” comparison, by 1) explicitly quantifying Bidder A’s dollar amount bid for the OSP contracts, and 2) either quantifying bidder A and C’s bid and D’s initial bid in terms of an annual amount or by quantifying bidder D’s final bid in terms of a monthly amount.
- IR-DTE 2-28 What is the source of the Louisiana Natural Gas Spot prices used in the Company’s responses to AG-1-4 and CONFIDENTIAL Attachments AG-1-11, and AG-1-14?
- IR-DTE 2-29 Refer to the Company’s response to AG-1-4, answer 18. Please explain in detail, using numerical examples, how SMD “caused a major shift” in “pricing strategies.” When did this pricing shift initially occur? Please explain the timeline of the “major shift.”

IR-DTE 2-30 Refer to AG-1-4, answer 18. Please explain the “arbitration decision last year” that affected the OSP contracts. What was the nature of the arbitration and how did it affect the OSP contracts? Why did “pricing increased costs significantly in December 2002”?